

United States v. Hiram Monserrate

**Prepared Remarks for U.S. Attorney Preet Bharara
October 19, 2010**

Good afternoon. My name is Preet Bharara, and I am the United States Attorney for the Southern District of New York.

Today, we unseal a two-count federal indictment charging Hiram Monserrate – a former New York City Councilman, a former New York State Senator, and a former New York City police officer – with abusing his power while a member of the Council to advance his own political interests.

Former Senator Monserrate surrendered to authorities this morning.

The charges essentially boil down to this: While in office, Hiram Monserrate directed over 300,000 taxpayer dollars to a nonprofit community group largely for the purpose of helping, not the community, but the vaulting political ambitions of one man – Hiram Monserrate.

Specifically, we allege that Monserrate effectively outsourced much of his political campaign to a nonprofit community group that he largely controlled. That tax exempt organization, known as the Latino Initiative for Better Resources and Empowerment (or LIBRE), essentially served as an alter ego for Monserrate's own political operation.

At Monserrate's direction, LIBRE workers, who were paid out of City Council funds allocated by Monserrate himself, allegedly worked hand-in-glove with his campaign and performed virtually every type of partisan election activity – including canvassing, voter registration, and petition gathering – in direct support of Monserrate's unsuccessful 2006 run for the state Senate.

In connection with that same scheme, we have separately filed mail fraud charges against Javier Cardenas, who was the Executive Director of LIBRE in 2006. Mr. Cardenas yesterday pled guilty to those charges in Manhattan federal court.

I am joined here today by our partner in this and so many other important public corruption cases: the New York City Department of Investigation, led by Commissioner Rose Gill Hearn. I want to congratulate the many dedicated investigators and auditors from DOI who worked so hard on this investigation.

I also want to express my appreciation to the career prosecutors who have worked so hard on this matter and have conducted a meticulous and thorough investigation: Assistant United States Attorney Brent Wible and Dan Stein, the chief of our Public Corruption unit, and also commend our criminal investigators Ron Gardella and Bob Ryan.

Let me take a minute to review the particular charges in today's Indictment.

Today's Indictment charges Monserrate with participating in substantial fraud in directing City Council discretionary funding.

Two quick points are important by way of background:

First, the New York City Charter expressly prohibits a public servant, like former Councilman Monserrate, from using his position to “obtain any financial gain. . . or other private or personal advantage.”

Second, for many years Council members have been able to allocate millions of dollars a year to non-profit organizations largely at the discretion of individual Council members.

Worthy non-profits are supposed to have access to public money because they are meant to be a resource for communities, not a piggy bank for politicians. But, as the Indictment describes, in violation of the City Charter that he swore an oath to follow, Hiram Monserrate used LIBRE in exactly that way – as a political piggy bank.

- At the time, he allegedly knew that LIBRE was tax-exempt and therefore prohibited from engaging in partisan activity.
- And at the time he specifically represented that LIBRE would engage in community work like civic education, non-partisan voter registration, and cultural awareness programs.

In truth, however, as the Indictment alleges, Monserrate caused LIBRE to spend those funds in support of his state Senate campaign in 2006. He did this in three principal ways.

First, as alleged, Monserrate used LIBRE workers to conduct a partisan voter registration drive clearly designed to give himself an unfair advantage over other candidates in the 2006 senate primary campaign. Monserrate had LIBRE workers focus its voter drive on the particular district in which he sought the nomination and had them create a database of newly-registered voters to be provided exclusively to his senate campaign. What's more, he directed LIBRE to delay delivery of more than 1,000 completed voter-registration applications to the Board of Elections until the last minute – which gave Monserrate a head start and competitive advantage in targeting those potential new voters with campaign messages. LIBRE spent approximately \$31,000 on these partisan campaign activities.

Second, Monserrate allegedly used LIBRE personnel to perform essential petition work to qualify him for the 2006 Senate primary ballot. [From June 2006 through July 2006, at Monserrate's direction, LIBRE used Council discretionary funds to pay workers to gather signatures of registered voters on petitions designating Monserrate as a candidate of the Democratic Party to run for Senate from the 13th Senate District and to sign those designating petitions as witnesses.] LIBRE spent approximately \$30,000 on these partisan campaign activities.

Third and finally, during the heat of the 2006 primary campaign for the New York State Senate, from June 2006 through September 2006, various individuals were paid thousands of dollars by LIBRE to perform work on behalf of

Monserate's Senate campaign. The Indictment alleges that those individuals did no substantial independent work for LIBRE during that time, and that their pay was exclusively for partisan political work that aided Monserate. And LIBRE spent approximately \$48,000 on these partisan campaign activities.

Conclusion

As we move into the heart of the political season, today's Indictment should serve as a reminder. No campaign should ever be funded by fraud.

Public officials who act like they are above the law may get away with it for a while, but we will find you and we will prosecute you. And the case of Hiram Monserate is only the latest example of this Office's commitment to punishing those who think that they can divert taxpayer dollars into their own personal checking accounts or use them to advance their self-interest over the public interest.

Hiram Monserate is the third NYC Councilman we have charged criminally in partnership with the Dept. of Investigation. Before him, we successfully prosecuted former Councilman Miguel Martinez for abusing his council position, and in February we charged Councilman Larry Seabrook for his alleged abuse of discretionary funds.

And of course, our efforts have gone far beyond the New York City Council – we successfully prosecuted abuses by

former State Assemblyman Anthony Seminerio (6 yrs), former State Senator Efrain Gonzalez (7 yrs), and former State Assemblyman Brian McLaughlin (10 yrs).

Today's Indictment demonstrates – once again – that rooting out public corruption is a top priority for this Office and for the Department of Investigation. And I can tell you that our work in this area is far from finished.